Income Tax - Earned Income Credit

What is the earned income tax credit?

The Colorado earned income tax credit is 10% of the federal earned income credit and will be available to Colorado residents for any tax year during which the state's fiscal year ends with a "qualified surplus."

If the earned income credit is larger than the tax liability calculated on the tax return, the difference will be refunded to the taxpayer.

Note: The Colorado Earned Income Tax Credit is not available for tax years 2002 through 2010 because the credit was created to refund Colorado's budget surplus to Colorado's taxpayers. Colorado's budget surplus for these tax years is not required to be refunded through this credit.